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NATIONAL INDICATIONS CENTER Room 1E 821 Pentagon

17 December 1964

THE CHINESE COMMUNISTS IN LAOS - A SUMMARY

Past Activities:

- 1. Since the Kong Le coup in 1960, the Chinese Communists have been carving out a sphere of influence in Laos' two northwestem provinces adjacent to the Chinese border--Phong Saly and Nam Tha Provinces. Under an agreement with the Souvanna government, they constructed a road from Meng La, China, to the town of Phong Saly (about 60 miles) between 1961 and 1963. On completion of the road in May 1963, the Chinese announced their withdrawal from Phong Saly and the road workers probably did leave for the most part. Several thousand laborers are reported to have been engaged in this construction under supervision of the PLA; has reported that the PLA engineer units involved in this work were the engineer battalion of the 40th Division and an approximate battalionsize unit of engineer troops from the Kunming Military Region headquarters.
- The Chinese maintain a consulate at Phong Saly, reportedly guarded by a small contingent of troops. They have supplied and trained the troops of General Khamouane, who was formerly nominally allied with Kong Le and Souvanna Phouma. Within the past year, however, Khamouane has gone over completely to the Communists and is now a "true neutralist" allied with the forces of Colonel Devone.
- In Nam Tha Province, the Chinese Communists probably participated in the attacks at Muong Sing and Nam Tha in May 1962_σ although this has never been confirmed. There have since been numerous reports that the Chinese maintain a small number of troops and a logistic base in the Muong Sing area. The US Arma, Laos, carries one company of Chinese Communist troops in the Muong Sing area.
- There have been numerous reports of road construction in Nom Tha Province, or plans for road construction, by the Chinese Communists. Particularly mentioned have been roads from Meng La to Nam Tha, Meng La to Muong Sing and Muong Sing to Nam Tha. Photography of late 1963, however, showed that no new construction had extended beyond the Chinese border; the Meng La-Muong Sing road had been constructed only as far as Meng Mang, a few miles short of the Loos frontier.

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- 5. In the spring of 1964, just prior to the major attacks on Kong Le's forces, there was a rash of reports on Chinese Communist military personnel in Laos. These included both reports of a new influx of Chinese Communists into Nam Tha Province and the first reports of the arrival of Chinese military personnel in Xieng Khouang Province. Little has been heard of Chinese in the latter area since that time, no units were identified, and it has been generally considered that the personnel probably were ethnic Chinese but not PLA troops. There was a possibility that some Chinese Communist specialist units were introduced to assist in the attacks on the Neutralist and FAR forces, but there has been no subsequent evidence to support this. The reported new influx of Chinese into Nam Tha Province at the same time may have been primarily road construction personnel; two Chinese were captured in the Muong Sing area on 8 May and one claimed that he deserted from a road construction crew, although the US Army Attache suspected he was a field artillery observer.
- 6. From 15 March through May 1964, Chinese Communist transports conducted an aerial photographic survey over Yunnan Province along the Laos border, informing the Lao government that the aircraft might penetrate up to 25 kilometers into Laos.

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7. In Yunnan Province, Chinese Communist troops have reportedly been
specially trained for operations in Laos. According to
who arrived in Thailand in April 1964, a joint mili-
fary exercise was held in southern Yunnan Province in November 1962; the aim of
the maneuver was said to be simulating combat conditions in Laos and the troops
were constantly reminded by their officers to be familiar with the terrain and
weather conditions in Laos and that all their drills were being carried out to pre-
pare them for action in Laos. According the Chinese Communist
40th Division , a Border Defense headquarters
was established at Meng La in 1962 under direct command of officials from Peiping,
and a large number of army, security and police personnel were sent to Meng La
for training where two new "divisions" were being formed. The new headquarters
was said to be commanded by a marshal.

8. There have been a number of reports that the framework of a separate dissident neutralist-Communist government for Laos was formed during the winter of 1963-1964; the existence of such a plan has been virtually confirmed by Souphanouvong. Although the reports vary somewhat, they generally agree

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that the movement was strongly backed if not sponsored by Communist China, that planning sessions were held in Yunnan Province and/or Peiping, that the neutralist ministers (Khamsouk Keola and General Heune Mongkonvilay) who subsequently joined the Communists at Khang Khay were to be leaders in the new government, and that its headquarters was to be established in Phong Saly. One report claims that General Khamouane signed an agreement with Peiping to allow 60,000 Chinese Communist troops to be stationed in Laos. Presumably, the Communists are holding this new 'government" in reserve for whatever time they wish to announce it.

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Current Developments:	
1. Reports	25X ⁻
2. Additional road construction in Nam The Province is said to be planned. (This activity possibly is connected with the apparent intensive road construction program now under way by Communist China and North Vietnam to open new access routes from China through North Vietnam into Laosnoted in the Watch Report of 16 December.)	P
3. According to several sources, there was a movement of about 500 troops (also reported as four companies) from China to Muong Sing and thence to Nam Tha between 25 and 30 November; it is said to have been a mixed force of Chinese Communists, Vietnamese and Akha tribesmen. Additional tribal recruits reportedly are being trained at Meng Mang. Since late November, pressure on ADC troops south of Nam Tha town has been stepped up, possibly to protect the Communist access route from Nam Tha town to Muong Sai.	
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5. There have been no reports from either Nam Tha or Phong Saly Province of preparations for the arrival of large numbers of Chinese troops. However, reporting from Phong Saly is negligible. There appears to be no present internal requirement for the introduction of several thousand Chinese Communist troops into these provinces, which are relatively quiet and largely removed from control by Vientiane. However, Chinese Communist troops might be introduced for one or more of the following reasons: (a) as engineers for an accelerated race	

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construction program; (b) as a potential threat to Thailand or to discourage Thai cooperation with the US; (c) as part of a broader Communist offensive effort in Laos and possibly in South Vietnam, with the Chinese Communists securing the northwest and the North Vietnamese carrying the burden of the offensive in other

areas.

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7. A further possibly related development was the broadcast of the clandestine "Voice of the People of Thailand" on 8 December announcing the formation of a "Thailand independence movement." The announcement was picked up by the Pathet Lao and NCNA on 13 December, indicating a concerted Communist move is involved. The broadcast's call for the overthrow of the Thanom government is very similar to the 1 October greetings sent to the CPR by the pro-Peiping Thai Communist Party. If, as appears likely, Peiping is now embarking on a program of increased subversion against Thailand, a logical base for such operations is Nam Tha Province, which would provide direct access to northwest Thailand.

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